



Department of Health and Human Services

New Hampshire Hospital

House Finance Division III

Budget Overview

March 03, 2009



Agenda



- Introduction
- Review of the Mission, Vision and Values
- Review the Organization Structure
- Identify and discuss major cost drivers
- Identify and discuss future uncertainties
- Budget By Class
- Budget Building Blocks
- Identify and discuss change requests and other items
- Questions



Mission, Vision and Values



- The **mission** of New Hampshire Hospital is to provide comprehensive compassionate inpatient psychiatric services to the people of our State
- Our **vision** is to be recognized as a center of excellence within an integrated system of community based care
- Core **values** include:
 - communication
 - collaboration
 - high standards in business and clinical practice
 - compassionate care



Populations Served



Acute Psychiatric Services (APS)

- Patients age sixteen and up
- Half of APS patients are discharged within eight days
- Four acute admission units generally staffed for 102 beds
- Four continuing care units generally staffed for 90 beds



Populations Served (continued)



(APS continued)

- Continuing care patients include a core (about 30%) of seriously and chronically ill patients who are particularly difficult to discharge given their high level of need and the absence of appropriate community resources, especially supervised residences
- Some of these patients have significant legal histories, many have additional medical needs and none have housing
- These continuing care patients represent not only a challenge for discharge but equally important, they occupy beds that could assist us in meeting an increasing demand for acute Hospital admissions



Populations Served (continued)



Anna Philbrook Center (APC)

- Children ages four through fifteen
- Generally staffed for 20 beds
- Half are discharged in less than seven days



Populations Served (continued)



(APC continued)

- About half are "coded" as having special education needs
- Emergency psychiatric hospitalization for thought, mood and conduct disorders
- DCYF, DJJS and other children's agencies are often involved requiring careful "wrap around" planning
- Reduced days of medically necessary care directly relates to the availability of adequate community services for this diverse population of children



Populations Served (continued)



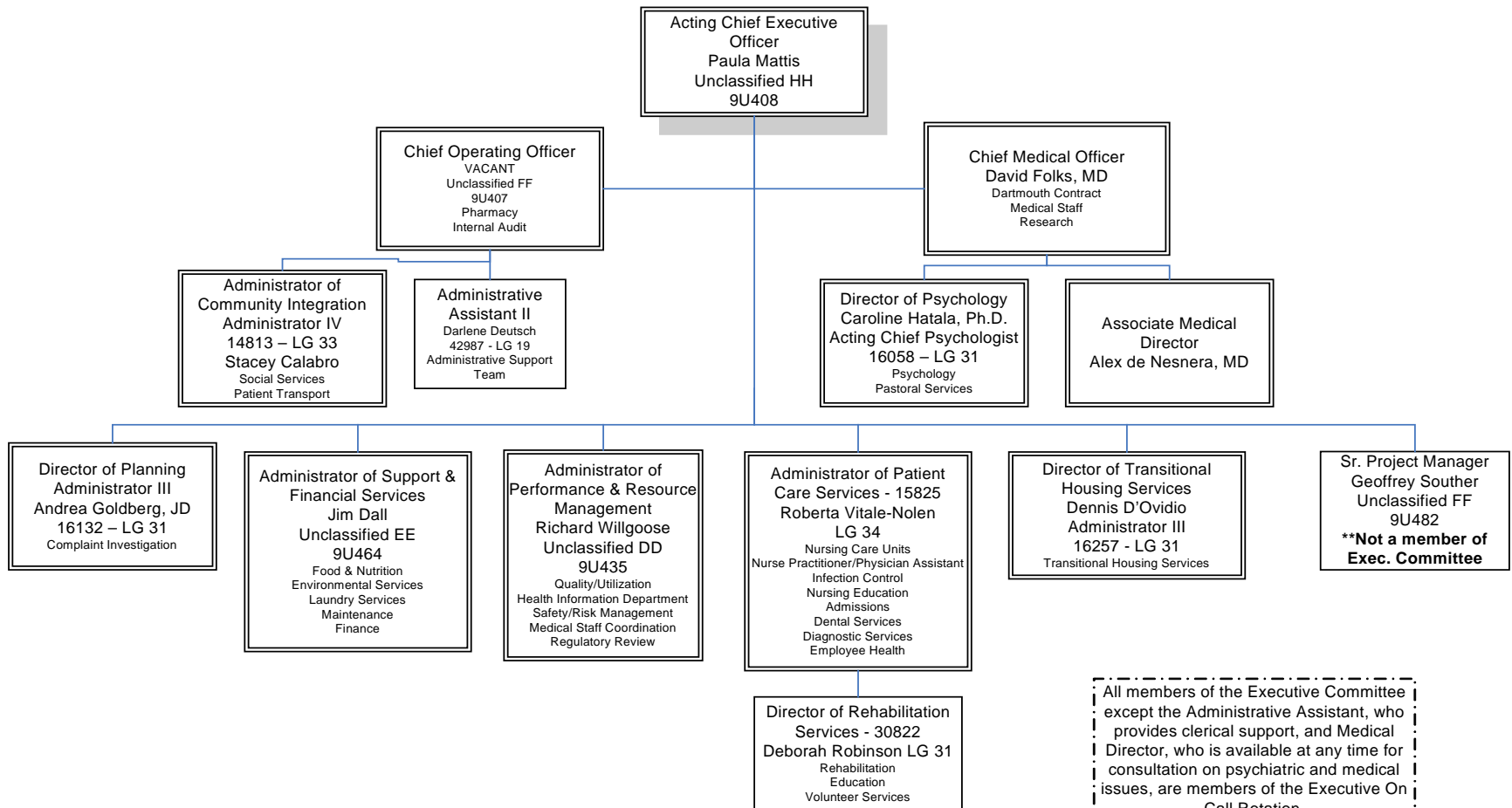
Transitional Housing Services (THS)

- 49 beds serving adults with severe and long-term mental illness
- Referred from New Hampshire Hospital to one of six residences staffed 24 hours a day, 7 days a week
- Significant services allow for carefully planned transitions over time to community-based settings
- Lengths of stay can be prolonged given the high-risk histories and severe illnesses of these residents
- Significant resources are needed for placements into less restrictive community settings

Organization

New Hampshire Hospital – Executive Committee Structure

February 2009



All members of the Executive Committee except the Administrative Assistant, who provides clerical support, and Medical Director, who is available at any time for consultation on psychiatric and medical issues, are members of the Executive On Call Rotation.



Cost Drivers



- *Admissions, Census and an Increasingly Challenging Patient Population:*
 - Admissions (93% increase in the last ten years) have been steadily rising
 - A full census must be managed in a fixed number of beds (only 36 beds added since the hospital opened in 1989)
 - Patients are presenting with increasingly complex medical problems, histories of substance abuse, legal system involvement, and limited resources
 - More psychiatric, medical, pharmaceutical, food, housekeeping, linen and other hospital services are required than ever before
 - Careful consideration must be given to the relationship of meeting increased demand, achieving adequate staffing and operating in the most cost-effective manner



Cost Drivers (continued)



- Overtime: Staffing must be managed given:
 - Sustained high admissions
 - Demands of acute inpatient hospital direct care
 - Pressure of any hiring delays

- Pharmacy:
 - Higher cost new generation medications afford better care, symptom reduction and shorter lengths of stay
 - Higher costs are associated with need to use temporary agency pharmacists



Cost Drivers (continued)



- *Medical Referrals:*
 - Increasing non-psychiatric medical illnesses
 - Need for professional medical services
 - Need for referrals to outside medical care

- *Physical Plant and Facilities:*
 - Increased maintenance and related labor costs to maintain aging facilities and equipment absent further capital expenditures



Future Uncertainties



- The Hospital will be facing uncertainties around the use of new and improved technologies
 - Electronic medical records pushed by the federal government for enhanced communication within and between providers
 - Teleconferencing including telemedicine between emergency rooms and more efficient dialogue between the courts, hospitals and mental health centers across the state



Future Uncertainties (continued)



- Recruitment and retention of qualified staff within a competitive market is critical
 - Pharmacists are in high demand creating a need for enhanced salaries in order to recruit the necessary complement of staff
 - Regional nursing shortages makes retention a significant goal.
- Meanwhile, the trend over the last several years has been increasing admissions
 - There's been an elimination of inpatient beds in the community, a balanced behavioral health system must support a core number of acute care hospital beds.
 - Community providers are struggling to meet consumer needs with increasingly scarce financial resources



Future Uncertainties (continued)



- An increase in diverse patients with complex psychiatric and medical needs
- Many factors will put stress on the behavioral health system with related demands for care
 - Growing population
 - Aging population
 - Economic instability
 - Employment uncertainties



Future Uncertainties (continued)



- An under-funded or inadequate behavioral health system adversely affects:
 - Other systems including those related to children, schools, aid to families, disabilities, law enforcement and corrections
 - Public safety
 - The quality of life for everyone in New Hampshire



Budget Request By Class



	SFY 2008	SFY 2009	SFY 2010	SFY 2010	SFY 2011	SFY 2011
DESCRIPTION	<u>Expended</u>	<u>Adj. Auth</u>	<u>Maintenance</u>	<u>Governors</u>	<u>Maintenance</u>	<u>Governors</u>
Personnel and Benefits	48,747,874	57,038,956	60,484,922	57,442,313	62,380,389	59,217,409
Direct Care other than Personnel	11,027,893	12,928,126	13,482,826	13,242,434	14,242,071	13,995,824
	59,775,767	69,967,082	73,967,748	70,684,747	76,622,460	73,213,233
Occupancy Cost	2,928,840	2,985,901	3,414,061	2,688,774	3,516,640	2,761,382
Administrative Cost	1,230,438	1,612,498	1,356,121	1,104,157	1,378,571	1,125,908
	4,159,278	4,598,399	4,770,182	3,792,931	4,895,211	3,887,290
Total	63,935,045	74,565,481	78,737,930	74,477,678	81,517,671	77,100,523

Building Blocks



NHH		Funding	Title	SFY2010		SFY2011	
				Maint.	Governor's	Maint.	Governor's
				Request	Budget	Request	Budget
				General	General	General	General
				Funds	Funds	Funds	Funds
<u>IV State Optional Services</u>							
NHH	VARIOUS		Acute Psychiatric Services (APS)	\$6,212	\$6,212	\$6,575	\$6,575
NHH	VARIOUS		Transitional Housing Svces (THS)	\$62	\$62	\$69	\$69
NHH	VARIOUS		Anna Philbrook Center (APC)	\$551	\$551	\$585	\$585
NHH	GF		Sexual Predators Act	\$104	\$52	\$108	\$54
NHH	GF		Children Ambulance Transportation	\$30	\$0	\$30	\$0
<u>V Personnel - Direct Care</u>				\$35,059	\$33,217	\$36,228	\$34,362
<u>VI Personnel - Non Direct Care</u>				\$6,826	\$6,274	\$7,147	\$6,575
<u>VII Administrative Non-Personnel Costs</u>				\$5,113	\$4,288	\$5,391	\$4,575
Total Budget				\$53,957	\$50,656	\$56,133	\$52,795



Change Requests & Other Items



- Change Items Not In Budget:
 - Convert Pharmacist pay scale from Classified to Unclassified to better enhance recruitment efforts. Only three (3) of seven(7) authorized positions are staffed to process 950 prescriptions daily and are currently aided by assistance from expensive temporary agency personnel
 - Increase in hazardous duty pay for direct care staff from \$5 weekly to \$25
 - Five (5) new positions were requested to meet the growing demand for services and none were approved
- The Governor's budget unfunded 39 positions from the Maintenance budget, 32 of which are critical direct care positions, including 14 nurses and 6 mental health workers



New Hampshire Hospital



Questions and Discussions